

California High-Speed Train Project



Agreement No.: _____

SCHEDULES TO GENERAL PROVISIONS

DRAFT - 05/19/2014

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SCHEDULE 1
PERFORMANCE SPECIFICATION
[PROVIDED SEPARATELY]



SCHEDULE 2

TESTING AND COMMISSIONING PROGRAM REQUIREMENTS

1. DEVELOPMENT OF TESTING AND COMMISSIONING PROGRAM

No later than 120 days after the Owner's issuance of NTP for Fleet 2, Contractor shall submit its proposed Testing and Commissioning Program for Owner's review, which shall conform to the requirements of Article 8 of the General Provisions and shall be dealt with under the procedure set out in this Schedule 2. Following revisions to the proposed Testing and Commissioning Program, as are necessary to resolve all of Owner's comments (including comments on resubmitted documents), it shall become the Testing and Commissioning Program, as may be revised from time to time as provided for below.

As set out in Article 8 of the General Provisions, the Testing and Commissioning Program will be developed and expanded during the course of the Contract. Contractor shall continuously monitor the Testing and Commissioning Program as the Work is progressed, and propose such revisions, for the Owner's review, as are necessary to ensure that the implementation of the Testing and Commissioning Program achieves the requirements set out in section 2 below. In addition, the Owner may from time to time, in consultation with the Contractor propose revisions to the Testing and Commissioning Program as are, in his opinion, necessary, to achieve these requirements.

Where a change to the inspection, testing and/or commissioning requirements is occasioned pursuant to Article 8 of the General Provisions, the Contractor shall submit a revised Testing and Commissioning Program for the Owner's review.

2. OBJECTIVES

The principal purpose of the implementation of the Testing and Commissioning Program is to demonstrate to the Owner that the Contract requirements, including performance, function, quality and safety have been met or exceeded and that execution is in accordance with design requirements and is fit for purpose. A key requirement is to prove that all parts of the system function correctly together in a properly integrated manner with no adverse effects to or from others. The Testing and Commissioning Program shall reflect the requirement on the Contractor to provide an entire and fully functioning Work.

Owner may identify specific tests that will be required. Contractor shall demonstrate that the test requirements consider:

- Compliance with the Contract requirements, including but not limited to:
 - Comfort, which shall be considered to be a function of: vehicle ride, including vertical and lateral accelerations and jerks; interior noise, vibration and harshness; vehicle heating, ventilation and air quality; pressure pulses; and passenger amenities including toilets and information systems
 - Journey time, including traction and braking performance and an overspeed test to 390 kph (242 mph)
 - Other technical requirements, such as: current collection
 - System stability under worst case conditions, in particular the ability of software to function effectively.



- Compliance with environmental requirements, including but not limited to:
 - Emitted Noise Limits
 - Vibration Parameters
 - EMI, EMC and psophometric currents
 - Pressure Gradient Limits
 - Ambient conditions.
- Conformance with the RAMS requirements, including demonstration of safety items including but not limited to:
 - Vehicle strength
 - Fire protection
 - Emergency egress
- Compliance with the Quality Plan
- Operation Plan stability including:
 - Abnormal operating conditions
 - Recovery from fault conditions, degraded modes of operation

In order to achieve a satisfactory demonstration of the above, different types of tests will be required at different stages of the Work.

3. TESTING AND COMMISSIONING PROGRAM REQUIREMENTS

The Testing and Commissioning Program shall identify general requirements applicable to all tests and specific requirements for each test. Contractor shall propose a series of recommended inspections, including but not limited to the first article configuration inspection, that should be undertaken by Owner in connection with the Testing and Commissioning Program.

3.1. General Requirements Applicable to All Tests

Safety shall be afforded the highest priority in the planning and undertaking of all tests. Particular attention shall be given to tests involving high voltages or movement of Trainsets. Only appropriately qualified personnel, using properly calibrated test equipment, shall undertake tests. Control systems shall be tested in all operating modes through simulation of their environment before being allowed onto the Test Track.

All test specifications shall be submitted. Previous testing and service history of equipment may be used to demonstrate compliance. However, Owner will require repeat tests if the records of previous tests do not demonstrate to the reasonable satisfaction of the Owner that the previous tests were comprehensive and representative of the operational requirements of the Authority and the environmental conditions of California.

The Testing and Commissioning Program shall include an overview of the general requirements for testing and commissioning, including but not limited to:

- Safety management
- Organization chart and CV's of key personnel in the testing and commissioning team



- Manpower requirements
- Schedule of test specification submission
- Scheduling of testing
- Format and schedule of submission of results
- Requirements and scheduled intervals for equipment calibration.

3.2. Specific Test Requirements

Fifty days before the scheduled commencement of each of the tests identified in the Testing and Commissioning Program, Contractor shall submit individual detailed procedures to the Owner for review. The individual test procedures shall include, but not be limited to:

- Objective of each test
- Safety management
- Functions to be monitored, and pass/fail criteria
- Method of analysis
- Format and schedule of submission of results
- Applicable standards
- Test equipment required
- Schedule of testing
- Locations of testing
- Manpower requirements
- Identification of test manager and key personnel
- Organization chart and CV's of key personnel where not previously submitted.

3.3. Re-testing

Where, in the reasonable opinion of Owner, the results of tests are unsatisfactory, including but not limited to where the results are incomplete, corrupted, inconclusive or demonstrate that the component or system under test failed to meet the requirements which were the subject of the test, the component or system shall be re-tested after completion of the necessary re-works.

Where tests have been undertaken on parts of the Works but such parts, at the time of such tests, were not complete to the extent contemplated under the Testing and Commissioning Program, including but not limited to parts of the Works in respect of which there were outstanding items of Work, then upon completion of such parts to the extent contemplated under the Testing and Commissioning Program, Contractor shall carry out such further tests as are necessary to demonstrate compliance with the principal purpose of the implementation of the Testing and Commissioning Program set forth in section 2 of this Schedule 2.

4. PROVISION OF UTILITIES

Owner will provide 25 kV power supply feeds at the Overhead Contact System on the Test Track. Owner will be responsible for the costs of energy consumed from the above feeds during the construction, commissioning and testing periods. Contractor shall provide all other supplies necessary for implementing the Work, including but not limited to Trainset assembly, testing and commissioning, and acceptance testing, including temporary supplies.



5. TYPE TESTS

Type tests shall be conducted on first articles to demonstrate proof of design. Contractor shall provide a list of all equipment to be covered by type testing for the Owner's review. Further type tests shall be undertaken on equipment following changes within the production build.

Type tests shall verify as appropriate:

- Conformity with Contract requirements and the Contractor's design
- Ability to function satisfactorily in the railway environment in California
- Compliance with safety standards
- Protection, insulation, and enclosure requirements
- Circuit protection
- Procedures covered by instruction manuals
- Degraded operation.

For software controlled systems where the final software will be tested during latter tests, test software may be used to allow adequate type testing of the hardware.

Type tests shall be conducted where possible at Contractor's or Subcontractors' sites. Type test certificates shall be provided before the production equipment is shipped, and detailed test reports submitted before the equipment will be allowed to enter the Test Track.

In addition, Owner or its authorized representative will, at its sole discretion, perform a First Article Configuration Inspection (FACI) of the first or second production unit of each major system or subsystem.

6. ROUTINE TESTS

Contractor shall perform routine tests, including pre-shipment tests, to demonstrate that all components, assemblies, systems and complete Trainsets are built to a consistent quality and that they meet the Contract requirements at all stages of the production sequence. These tests shall also demonstrate adequate integration of all subsystems where appropriate.

Routine test certificates shall be retained and made available at the request of the Owner's Representative.

7. PROVISIONAL ACCEPTANCE

Each Trainset will require a Certificate of Provisional Acceptance or, if applicable, an interim Certificate of Provisional Acceptance, before being allowed to enter and operate on the Test Track. The testing of a Trainset with a Certificate of Provisional Acceptance or, if applicable, an interim Certificate of Provisional Acceptance, will be segregated and no other Trainsets will be allowed to be on the Test Track at the same time such Trainset is on the Test Track.

8. CONDITIONAL ACCEPTANCE TESTING

Upon receipt of its Certificate of Provisional Acceptance or, if applicable, an interim Certificate of Provisional Acceptance, an individual Trainset will be allowed to enter and operate on the Owner's Test Track for testing purposes. The testing of a Trainset with a Certificate of Provisional Acceptance will be segregated and no other Trainsets will be allowed to be on the Test Track at the same time such Trainset is on the Test Track. The purpose of this phase of



testing is to demonstrate that the performance of the Trainset meets or exceeds the conditions for a Certificate of Conditional Acceptance in Article 9.6 of the General Provisions. The Contractor shall provide all test personnel (including Trainset drivers), material and equipment necessary for these tests. If requested by the Owner's Representative, the Contractor will incorporate the use of the Owner's trainee drivers into the tests at no cost to the Owner. The trainee drivers would be under the direct supervision of the Contractor and the Contractor shall be responsible for the performance of the trainee drivers.

9. FINAL ACCEPTANCE TESTING

Upon receipt of its Certificate of Conditional Acceptance, an individual Trainset will be allowed to operate concurrently with other Trainsets that have received a Certificate of Conditional Acceptance. The purpose of this phase of testing is to demonstrate that the performance of the Trainset meets or exceeds the conditions for a Certificate of Final Acceptance in Article 9.7 of the General Provisions.

10. PROTOTYPE TESTING

In addition to the testing required to achieve Provisional Acceptance, Conditional Acceptance and Final Acceptance, the first two Trainsets manufactured for Owner shall undergo a comprehensive proof-of-design type regime (Prototype Testing) to demonstrate that the Trainsets, as designed, manufactured and delivered meet the performance criteria of the Contract. This Prototype Testing shall be completed before Final Acceptance of any Trainset.



SCHEDULE 3

MILESTONES

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Schedule 3-A – Milestones for Fleet 1

Schedule 3-B – Milestones for Fleet 2

Schedule 3-C – Milestones for Fleets 3 - 6



SCHEDULE 3-A**MILESTONES FOR FLEET 1**

| # | Milestone | Milestone Payment Percentage (% of Milestone Contract Amount for Fleet 1) |
|---|--|--|
| 1 | Preliminary Submittals | 10.0% |
| 2 | Final Acceptance of Mock-ups | 2.5% |
| 3 | Final Acceptance of Design | 5.0% |
| 4 | Provisional Acceptance of Prototypes | 60.0% (30.0% per Prototype) |
| 5 | Final Acceptance of Prototypes | 17.5% (8.75% per Prototype) |
| 6 | Fleet Acceptance (tied to Fleet Acceptance of Fleet 2) | 5.0% |
| | Milestone Contract Amount (Fleet 1) | 100.0% |



SCHEDULE 3-B**MILESTONES FOR FLEET 2**

| # | Milestone | Milestone Payment Percentage (% of Milestone Contract Amount for Fleet 2) |
|----|--|--|
| 1 | Preliminary Submittals | 5.0% |
| 2 | Baseline Program and PMP | 5.0% |
| 3 | Acceptance of the Driving Simulator | 2.5% |
| 4 | Acceptance of the Maintenance Training Plan and the Maintenance Plan | 2.5% |
| 7 | Provisional Acceptance of each Trainset | 59.5% (59.5% / 13 per Trainset) |
| 8 | Final Acceptance of each Trainset | 18.0% (18.0% / 13 per Trainset) |
| 9 | Delivery of Owner-Owned Spares and Special Tools | 2.5% |
| 10 | Fleet Acceptance | 5.0% |
| | Milestone Contract Amount (Fleet 2) | 100% |



SCHEDULE 3-C**MILESTONES FOR FLEETS 3-6**

| Milestone | Milestone Payment Percentage (% of Milestone Contract Amount for Fleet 3, Fleet 4, Fleet 5 or Fleet 6, as applicable) |
|--|--|
| Provisional Acceptance of each optional Trainset | 75% (75% / Number of Trainsets in Fleet) |
| Final Acceptance of optional Trainset | 20% (20% / Number of Trainsets in Fleet) |
| Fleet Acceptance of optional Fleet | 5% (5% / Number of Trainsets in Fleet) |



SCHEDULE 4**ESCALATION ADJUSTMENT**

In the event that the any of the indices set forth in this Schedule are discontinued from publication or deemed no longer applicable for the purposes of adjustment due to (i) significant changes to the components or sub-components of the Contract requirements, (ii) changes in the production process for components and sub-components, Contractor shall submit alternative indices and their applicable weightings for approval by Owner. Owner has sole approval right over the use of an alternative index and weighting proposed by Contractor.

1. Milestone Contract Amount, Options Unit Prices, Manufacturing Restart Payments and Owner-Owned Spares

The Fleet 1 and Fleet 2 Milestone Contract Amounts, the Fleets 3-6 Options Unit Prices and the Manufacturing Restart Payments, all as set forth in Attachment B to the Signature Document, and the prices for Owner-Owned Spares set forth in Attachment H to the Signature Document shall be adjusted from the Close Date to the Price Adjust Date based on the following formula:

$$P_{PAD} = P_0 \times [(W_M \times (M_{PAD} / M_0)) + (W_E \times (E_{PAD} / E_0)) + (W_L \times (L_{PAD} / L_0))]$$

Where:

Metals Index = not seasonally adjusted Producer Price Index (PPI) Commodities for Metals and metal products – Fabricated structural metal products as published by the United States Bureau of Labor Statistics (BLS) – Series ID WPU107.

Equipment Index = not seasonally adjusted PPI Commodities for Machinery and equipment as published by the BLS – Series ID WPU11.

Labor Index = not seasonally adjusted Average Hourly Earnings of Production and Nonsupervisory Employees from the Current Employment Statistics survey (National) as published by the BLS – Series ID CEU3100000008.

Price Adjust Date =

- (i) for the Fleet 1 and Fleet 2 Milestone Contract Amount, the Fleets 3-6 Options Unit Prices and the Manufacturing Restart Payments, the date Owner issues a Preliminary Notice for the applicable Fleet under Article 5.2 of the General Provisions; or
- (ii) for the Owner-Owned Spares set forth in Attachment H to the Signature Document, the date Owner issues a Directive Letter under Article 13.6 of the General Provisions.



P_{PAD} = Fleet 1 and Fleet 2 Milestone Contract Amount, Fleets 3-6 Options Unit Prices, Manufacturing Restart Payments or prices for Owner-Owned Spares in Attachment H, as applicable, at the Price Adjust Date.

P_0 = Fleet 1 and Fleet 2 Milestone Contract Amounts, Fleets 3-6 Options Unit Prices, Manufacturing Restart Payments or prices for Owner-Owned Spares in Attachment H, as applicable, at the Close Date.

W_M = Weight of the Metals Index (30%).

W_E = Weight of the Equipment Index (10%).

W_L = Weight of the Labor Index (60%).

M_{PAD} = Metals Index as of the Price Adjust Date.

M_0 = Metals Index as of the Close Date.

E_{PAD} = Equipment Index as of the Price Adjust Date.

E_0 = Equipment Index as of the Close Date.

L_{PAD} = Labor Index as of the Price Adjust Date.

L_0 = Labor Index as of the Close Date.

2. Mileage Incremental Service Payment and Trainset Incremental Service Payment

Annual Escalation – The Mileage Incremental Service Payment and the Trainset Incremental Service Payment shall be adjusted on an annual basis on June 30 based on the following formula:

$$P_i = P_0 \times [(W_M \times (M_i / M_0)) + (W_E \times (E_i / E_0)) + (W_L \times (L_i / L_0))]$$

Where:

Metals Index = not seasonally adjusted Producer Price Index (PPI) Commodities for Metals and metal products – Fabricated structural metal products as published by the United States Bureau of Labor Statistics (BLS) – Series ID WPU107.

Equipment Index = not seasonally adjusted PPI Commodities for Machinery and equipment as published by the BLS – Series ID WPU11.

Labor Index = not seasonally adjusted Average Hourly Earnings of Production and Nonsupervisory Employees from the Current Employment Statistics survey (National) as published by the BLS – Series ID CEU3100000008.

P_i = Mileage Incremental Service Payment, or Trainset Incremental Service Payment, as applicable, at year i of the Contract Term.

P_0 = Mileage Incremental Service Payment, or Trainset Incremental Service Payment, as applicable, at Close Date.



W_M = Weight of the Metals Index (30%).

W_E = Weight of the Equipment Index (10%).

W_L = Weight of the Labor Index (60%).

M_i = Metals Index as of the most recent publication to June 30 of every year.

M_0 = Metals Index as of the Close Date.

E_i = Equipment Index as of the most recent publication to June 30 of every year.

E_0 = Equipment Index as of the Close Date.

L_i = Labor Index as of the most recent publication to June 30 of every year.

L_0 = Labor Index as of the Close Date.

3. Liquidated Damages

The liquidated damage amounts set forth in Articles 11.1, 11.2 and 11.3 of the General Provisions and Schedule 6 to the General Provisions shall be adjusted from the Close Date to the date at which Contractor receives written notice from Owner assessing the liquidated damages based on the formula below:

$$P_{LD} = P_0 \times (CPI-U_{LD} / CPI-U_0)$$

Where:

P_{LD} = Liquidated damages at the date Contractor receives written notice from Owner assessing liquidated damages.

P_0 = Liquidated damages at the Close Date as set forth in Articles 11.1, 11.2 and 11.3 of the General Provisions and Schedule 6 to the General Provisions.

$CPI-U_{LD}$ = US CPI-U index as published by the US Bureau of Labor Statistics as of the most recent publication at the date the Contractor receives written notice from the Owner assessing liquidated damages.

$CPI-U_0$ = US CPI-U index as published by the US Bureau of Labor Statistics as of the most recent publication at the Close Date.



SCHEDULE 5

FORM OF CERTIFICATES OF ACCEPTANCE

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Schedule 5-1 - Certificate of Acceptance for Preliminary Submittals

Schedule 5-2 - Certificate of Acceptance for Baseline Program and PMP

Schedule 5-3 - Certificate of Acceptance for Driving Simulator

**Schedule 5-4 - Certificate of Acceptance for Maintenance Training Program and
Maintenance Plan**

Schedule 5-5 – Certificate of Provisional Acceptance

Schedule 5-6 – Certificate of Conditional Acceptance

Schedule 5-7 – Certificate of Final Acceptance

Schedule 5-8 – Certificate of Owner-Owned Spares Acceptance

Schedule 5-9 – Certificate of Fleet Acceptance

Schedule 5-10 – Certificate of Special Tools Acceptance

Schedule 5-11 – Non-Conformance



SCHEDULE 5-1**CERTIFICATE OF ACCEPTANCE FOR PRELIMINARY SUBMITTALS**

Contract No.: _____ **Date of Contract:** _____
Contractor Name : _____ **Trainset Number :** _____
Project Name and Location: _____

Contractor hereby makes the following representations and warranties regarding the above-referenced Work: that such Work required for issuance by Owner of this Certificate of Acceptance for Preliminary Submittals, as set forth in Article 9.1 of the General Provisions, conforms to all requirements of the Contract except for those items set out in attached Schedule 5-11 - Non-Conformance, which is incorporated herein by this reference.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Acceptance for Preliminary Submittals is hereby established as _____
(Month/Day/Year).

By : _____ **Title:** _____
: _____ **(Signature of Contractor Representative)** **(Date)**

OWNER REPRESENTATIVE RECOMMENDATION:

I hereby recommend that the Preliminary Submittals are accepted.

Name: _____ **(Date)**
_____ **(Signature of Owner Representative)**

OWNER REPRESENTATIVE'S STATEMENT:

The Preliminary Submittals are accepted and I require that all exceptions noted on Schedule 5-11 – Non-Conformance shall be completed or resolved within 60 days unless otherwise agreed. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____ **(Date)**
_____ **(Signature of Owner Representative)**



SCHEDULE 5-2**CERTIFICATE OF ACCEPTANCE FOR BASELINE PROGRAM AND PMP****Contract No.:** _____ **Date of Contract:** _____**Contractor Name :** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties regarding the above-referenced Work: that such Work required for issuance by Owner of this Certificate of Acceptance for Baseline Program and PMP, as set forth in Article 9.2 of the General Provisions, conforms to all requirements of the Contract except for those items set out in attached Schedule 5-11 - Non-Conformance, which is incorporated herein by this reference.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Acceptance for Baseline Program and PMP is hereby established as _____
(Month/Day/Year).

By: _____ **Title:** _____
(Signature of Contractor Representative) (Date)

OWNER REPRESENTATIVE RECOMMENDATION:

I hereby recommend that the Baseline Program and PMP are accepted.

Name: _____ **(Date)** _____
(Signature of Owner Representative)

OWNER REPRESENTATIVE'S STATEMENT:

The Baseline Program and PMP are accepted and I require that all exceptions noted on Schedule 5-11 – Non-Conformance shall be completed or resolved within 60 days unless otherwise agreed. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____ **(Date)** _____
(Signature of Owner Representative)



SCHEDULE 5-3**CERTIFICATE OF ACCEPTANCE FOR DRIVING SIMULATOR****Contract No.:** _____ **Date of Contract:** _____**Contractor Name :** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties regarding the above-referenced Work: that such Work required for issuance by Owner of this Certificate of Acceptance for Driving Simulator, as set forth in Article 9.3 of the General Provisions, conforms to all requirements of the Contract except for those items set out in attached Schedule 5-11 - Non-Conformance, which is incorporated herein by this reference.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Acceptance for Driving Simulator is hereby established as _____ (Month/Day/Year).

By: _____ **Title:** _____
(Signature of Contractor Representative) (Date)

OWNER REPRESENTATIVE RECOMMENDATION:

I hereby recommend that the Driving Simulator is accepted.

Name: _____
(Signature of Owner Representative) (Date)

OWNER REPRESENTATIVE'S STATEMENT:

The Driving Simulator is accepted and I require that all exceptions noted on Schedule 5-11 – Non-Conformance shall be completed or resolved within 60 days unless otherwise agreed. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____
(Signature of Owner Representative) (Date)



SCHEDULE 5-4**CERTIFICATE OF ACCEPTANCE FOR MAINTENANCE TRAINING PROGRAM AND
MAINTENANCE PLAN****Contract No.:** _____ **Date of Contract:** _____**Contractor Name :** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties regarding the above-referenced Work: that such Work required for issuance by Owner of this Certificate of Acceptance for Maintenance Training Program and Maintenance Plan, as set forth in Article 9.4 of the General Provisions, conforms to all requirements of the Contract except for those items set out in attached Schedule 5-11 - Non-Conformance, which is incorporated herein by this reference.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Acceptance for Maintenance Training Program and Maintenance Plan is hereby established as _____ (Month/Day/Year).

By: _____ **Title:** _____
(Signature of Contractor Representative) (Date)

OWNER REPRESENTATIVE RECOMMENDATION:

I hereby recommend that the Maintenance Training Program and Maintenance Plan are accepted.

Name: _____ **(Date)** _____
(Signature of Owner Representative)

OWNER REPRESENTATIVE'S STATEMENT:

The Maintenance Training Program and Maintenance Plan are accepted and I require that all exceptions noted on Schedule 5-11 – Non-Conformance shall be completed or resolved within 60 days unless otherwise agreed. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____ **(Date)** _____
(Signature of Owner Representative)



SCHEDULE 5-5**CERTIFICATE OF PROVISIONAL ACCEPTANCE****Contract No.:** _____ **Date of Contract:** _____**Contractor Name :** _____ **Trainset Number :** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties regarding the above-referenced Trainset: that such Trainset conforms to all requirements for issuance by Owner of this Certificate of Provisional Acceptance, as set forth in Article 9.5 of the General Provisions, except for those items set out in attached Schedule 5-11 - Non-Conformance, which is incorporated herein by this reference.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Provisional Acceptance is hereby established as _____ (Month/Day/Year).

By: _____ **Title:** _____ **(Date)** _____
(Signature of Contractor Representative)

OWNER REPRESENTATIVE RECOMMENDATION:

I hereby recommend that this Trainset is Provisionally Accepted.

Name: _____ **(Date)** _____
(Signature of Owner Representative)

OWNER REPRESENTATIVE'S STATEMENT:

The Trainset has reached Provisional Acceptance and I require that all exceptions noted on Schedule 5-11 – Non-Conformance shall be completed or resolved within 60 days unless otherwise agreed. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____ **(Date)** _____
(Signature of Owner Representative)



SCHEDULE 5-6**CERTIFICATE OF CONDITIONAL ACCEPTANCE****Contract No.:** _____ **Date of Contract:** _____**Contractor Name :** _____ **Trainset Number :** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties regarding the above-referenced Trainset: that such Trainset conforms to all requirements for issuance by Owner of a Certificate of Conditional Acceptance, as set forth in Article 9.6 of the General Provisions, except for those items set out in attached Schedule 5-11 - Non-Conformance, which is incorporated herein by this reference.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Conditional Acceptance is hereby established as _____ (Month/Day/Year).

By: _____ **Title:** _____
(Signature of Contractor Representative) (Date)

OWNER REPRESENTATIVE RECOMMENDATION:

I hereby recommend that this Trainset is Conditionally Accepted.

Name: _____
(Signature of Owner Representative) (Date)

OWNER REPRESENTATIVE'S STATEMENT:

The Trainset has reached Conditional Acceptance and I require that all exceptions noted on Schedule 5-11 – Non-Conformance shall be completed or resolved within 60 days unless otherwise agreed. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____
(Signature of Owner Representative) (Date)



SCHEDULE 5-7**CERTIFICATE OF FINAL ACCEPTANCE****Contract No.:** _____ **Date of Contract:** _____**Contractor Name :** _____ **Trainset Number:** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties regarding the above- referenced Trainset: that such Trainset conforms to all requirements for issuance by Owner of this Certificate of Final Acceptance, as set forth in Article 9.7 of the General Provisions, is free of all Adverse Rights, and that title to said Trainset is offered for vesting by Owner.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Final Acceptance is hereby established as _____ (Month/Day/Year).

By : _____ **Title:** _____
(Signature of Contractor Representative) (Date)

OWNER REPRESENTATIVE RECOMMENDATION: I hereby recommend that this Trainset is accepted.

Name: _____
(Signature of Owner Representative) (Date)

OWNER REPRESENTATIVE'S STATEMENT:

The Trainset has reached Final Acceptance. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____
(Signature of Owner Representative) (Date)



SCHEDULE 5-8**CERTIFICATE OF OWNER-OWNED SPARES ACCEPTANCE****Contract No:** _____ **Date of Contract:** _____**Contractor Name:** _____ **Spare Part Numbers:** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties:

- (i) Owner has received the Spares;
- (ii) Spares conform with all the requirements for issuance by Owner of this Certificate of Owner-Owned Acceptance, as set forth in Article 9.8 of the General Provisions;
- (iii) Spares conform with the Specification; and
- (iv) Spares comply with all Applicable Laws and standards.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Owner-Owned Spares Acceptance is hereby established as _____ (Month/Day/Year).

By: _____ **Title:** _____

(Signature of Contractor Representative) (Date)

OWNER REPRESENTATIVE RECOMMENDATION: I hereby recommend that the Owner-Owned Spares as described in this certificate are accepted.

Name: _____

(Signature of Owner Representative) (Date)

OWNER REPRESENTATIVE'S STATEMENT:

Owner has received the Owner-Owned Spares and title of the Owner-Owned Spares has been transferred to Owner upon signing of this certificate.

Name: _____

(Signature of Owner Representative) (Date)



SCHEDULE 5-9**CERTIFICATE OF FLEET ACCEPTANCE****Contract No.:** _____ **Date of Contract:** _____**Contractor Name :** _____ **Fleet Number:** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties regarding the above-referenced Fleet: that such Fleet conforms to all the requirements for issuance by Owner of this Certificate of Fleet Acceptance, as set forth in Article 9.9 of the General Provisions, is free of all Adverse Rights, and that title to said Fleet is offered for vesting by Owner.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Fleet Acceptance is hereby established as _____ (Month/Day/Year).

By: _____ **Title:** _____ **(Date)** _____
(Signature of Contractor Representative)

OWNER REPRESENTATIVE RECOMMENDATION: I hereby recommend that this Fleet is accepted.

Name: _____ **(Date)** _____
(Signature of Owner Representative)

OWNER REPRESENTATIVE'S STATEMENT:

The Fleet has reached Fleet Acceptance. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____ **(Date)** _____
(Signature of Owner Representative)



SCHEDULE 5-10**CERTIFICATE OF SPECIAL TOOLS ACCEPTANCE****Contract No.:** _____ **Date of Contract:** _____**Contractor Name :** _____**Project Name and Location:** _____

Contractor hereby makes the following representations and warranties regarding the above-referenced Work: that such Work conforms to all requirements for issuance by Owner of this Certificate of Special Tools Acceptance, as set forth in Article 9.10 of the General Provisions.

The person signing below on behalf of Contractor represents that s/he is authorized to make the foregoing representations and warranties on behalf of Contractor.

The date of Acceptance for Special Tools is hereby established as _____ (Month/Day/Year).

By: _____ **Title:** _____
(Signature of Contractor Representative) (Date)

OWNER REPRESENTATIVE RECOMMENDATION:

I hereby recommend that the Special Tools are accepted.

Name: _____
(Signature of Owner Representative) (Date)

OWNER REPRESENTATIVE'S STATEMENT:

The Special Tools are accepted. Issuance of this certification does not constitute a waiver by Owner of any Claims.

Name: _____
(Signature of Owner Representative) (Date)



SCHEDULE 5-11
NON-CONFORMANCE

Contract No.:**Date of
Contract:****Contractor Name:****Project Title:**

| The following items are to be performed/corrected by Contractor: | | | | |
|--|------------------------|-----------------|---------------------------|---------------------------------------|
| Item No. | Problem or Description | Required Action | Estimated Completion Date | Date Accepted by Owner Representative |
| | | | | |
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SCHEDULE 6

PERFORMANCE STANDARDS

1. GENERAL

There are three Performance Standards for the assessment of performance liquidated damages in accordance with this Schedule 6. These Performance Standards measure:

- Missed Trips, which relates to the provision of all services contained in the Timetable;
- Mission Timekeeping, which relates to the timeliness of the Timetabled service; and
- Mission Quality, which relates to the proper functioning of equipment necessary for the comfort and convenience of passengers.

Performance Standards for Missed Trips and Mission Timekeeping shall be measured over three measurement periods: a ten day measurement period, a thirty day measurement period and a ninety day measurement period. Performance Standards for Mission Quality shall only be measured over a ninety day measurement period. All days in each measurement period shall be consecutive. The three measurement periods shall run concurrently.

Performance Standards shall be measured for the ten day measurement periods, the thirty day measurement periods and the ninety day measurement periods described above, commencing in each case on the first day of revenue service for a Trainset and ending on the last day of the last ten day measurement period, thirty day measurement period and ninety day measurement period respectively for that Trainset.

Performance liquidated damages shall be assessed if the number of Missed Trips, Late Trips or Mission Quality Failures exceed the allowable number of Missed Trips, Late Trips or Mission Quality Failures, as applicable, over the relevant measurement periods.

A Failure means a failure of any item of a Trainset or any part or component thereof.

A Trip is a Timetable scheduled passenger carrying revenue service Trainset trip.

1.1 Performance Liquidated Damages

(a) Missed Trips

For each Missed Trip in excess of the allowable number of Missed Trips over a ten day measurement period, Contractor shall pay to Owner as performance liquidated damages for Missed Trips the sum of \$24,500.

For each Missed Trip in excess of the allowable number of Missed Trips over a thirty day measurement period, Contractor shall pay to Owner as performance liquidated damages for Missed Trips the sum of \$29,000.

For each Missed Trip in excess of the allowable number of Missed Trips over a ninety day measurement period, Contractor shall pay to Owner as performance liquidated damages for Missed Trips the sum of \$38,000.



For each Missed Trip in excess of the allowable number of Missed Trips over a one hundred and eighty day measurement period, Contractor shall pay to Owner as performance liquidated damages for Missed Trips the sum of [\$TBD].

(b) Late Trips

For each Late Trip in excess of the allowable number of Late Trips over a ten day measurement period, Contractor shall pay to Owner as performance liquidated damages for Late Trips the sum of \$615.

For each Late Trip in excess of the allowable number of Late Trips over a thirty day measurement period, Contractor shall pay to Owner as performance liquidated damages for Late Trips the sum of \$615.

For each Late Trip in excess of the allowable number of Late Trips over a ninety day measurement period, Contractor shall pay to Owner as performance liquidated damages for Late Trips the sum of \$615.

For each Late Trip in excess of the allowable number of Late Trips over a one hundred and eighty day measurement period, Contractor shall pay to Owner as performance liquidated damages for Late Trips the sum of \$615.

(c) Mission Quality Failures

For each Mission Quality Failure in excess of the allowable number of Mission Quality Failures over a ninety day measurement period, Contractor shall pay to Owner as performance liquidated damages for Mission Quality Failures the sum of \$12,200.

For each Mission Quality Failure in excess of the allowable number of Mission Quality Failures over a one hundred and eighty day measurement period, Contractor shall pay to Owner as performance liquidated damages for Mission Quality Failures the sum of [\$TBD].

1.2 Exclusive Remedy

Liquidated damages are Owner's exclusive remedy under the Contract for Late Trips, Missed Trips and Mission Quality Failures up to the date Contractor triggers liquidated damages under one of the one hundred and eighty day measurement periods for Late Trips, Missed Trips, or Mission Quality Failures, at which time, or any time thereafter, Owner may, in its sole discretion, elect to continue to assess liquidated damages or to discontinue to assess liquidated damages in favor of pursuing actual damages or other remedies, including Contract termination.

In the event Contractor, on three separate occasions, is subject to liquidated damages for a specific Performance Standard measurement period (e.g., ten day measurement period for Missed Trips, thirty day measurement period for Late Trips, etc.), then the liquidated damages amount for that Performance Standard measurement period shall triple in amount. This increased liquidated damages amount shall apply to any subsequent assessment of liquidated



damages for that specific Performance Standard measurement period until the end of the term of the Contract.

1.3 Rebate of Liquidated Damages

(a) In order to provide relief to Contractor from performance liquidated damages imposed under this Schedule 6 for Missed Trips in excess of the allowable number of Missed Trips over a ten day measurement period; and for Late Trips in excess of the allowable number of Late Trips over a ten day measurement period as the result of defects which are promptly corrected by Contractor and therefore do not affect the performance of the revenue service over subsequent ten day measurement periods, and to provide an incentive to Contractor to correct such defects expeditiously, Contractor shall be entitled to claim a rebate for performance liquidated damages on the terms contained in this Article 1.3.

(b) Contractor's entitlement to any rebate under this Schedule 6 shall be measured over consecutive one hundred eighty day measurement periods which shall each consist of two consecutive ninety day measurement periods. A particular ninety day measurement period may only be included in one hundred eighty day measurement period. The first ten day measurement period and first ninety day measurement period in a one hundred eighty day measurement period shall commence on the first day of the one hundred eighty day measurement period. The first one hundred eighty day measurement period shall commence on the first day of passenger service for a Trainset.

(c) If in any one hundred eighty day measurement period, performance liquidated damages are payable for Missed Trips in excess of the allowable number of Missed Trips and/or for Late Trips in excess of the allowable number of Late Trips, for more than one ten day measurement period in such one hundred eighty day measurement period, no relief shall be available for any liquidated damages payable as the Missed Trips and Late Trips over the entire one hundred eighty day measurement period.

(d) If in the next one hundred eighty day measurement period, Missed Trips do not exceed the allowable number of Missed Trips and Late Trips do not exceed the allowable number of Late Trips over each and every ten day measurement period in such one hundred eighty day measurement period, then 50% of performance liquidated damages paid for such immediately preceding one hundred eighty day measurement period shall be credited to Contractor for any future performance liquidated damage liabilities, or to the extent not yet paid, such 50% shall no longer be due from Contractor to Owner.

(e) In no event shall any rebate or credit be provided under this Article 1.3 for performance liquidated damages assessed as a result of Missed Trips or Late Trips in excess of the allowable number of Missed Trips or Late Trips over any thirty day measurement period or any ninety day measurement period.

1.4 Payment

Any amounts payable pursuant to this Schedule 6 shall be payable by Contractor to Owner on demand within 30 days after a written request by Owner's Representative. The payment of such performance liquidated damages shall not relieve Contractor from its other obligations under the Contract.



2. MISSED TRIPS

A Missed Trip is a Trip which, due to a Failure, either (i) does not start, or (ii) if it does start, is not completed by a Trainset under its own power. Owner may in its sole discretion, substitute a stand-by Trainset (if available) for a Trainset which, due to a Failure, is not able to start or complete a Trip. In the event of such a substitution, the Trip that could not be started or completed, as the case may be, without that substitution, shall be counted as a Missed Trip. Owner may use for a Trip, a Trainset that Owner is aware contains defects which have not as at that time been rectified, provided that such defects do not have an adverse impact on safety or cause damage to the Core System or other parts of the high-speed train system and no other Trainset is available. Such action by Owner shall not operate as a waiver by Owner of due performance by Contractor or its liability for performance liquidated damages. The number of Missed Trips shall be provided by the ADS and recorded by Owner.

2.1. Allowable Percentage of Missed Trips

The percentage of Missed Trips shall be calculated for each measurement period as the total number of Missed Trips divided by the total number of Trips in such measurement period, expressed as a percentage.

To allow for a break-in period, the allowable percentage of Missed Trips in any measurement period during the first 360 days, starting with the first day of revenue service for a Trainset, shall be as set forth below in Appendix 1 to this Schedule.

Starting the day after the first 360 days of revenue service, the allowable percentage of Missed Trips shall be set thereafter at 0.05% for each ten day measurement Period, 0.10% for each thirty day measurement period and 0.15% for each ninety day measurement period. For each measurement period, the allowable number of Missed Trips is the product of the total number of Trips for the measurement period multiplied by the allowable percentage of Missed Trips for that measurement period. For the avoidance of doubt, where the product of the total number of Trips multiplied by the allowable percentage of Missed Trips is not an integer, the allowable number of Missed Trips shall be the product rounded to the nearest integer, that is decimal fractions less than 0.5 shall be rounded down to the next lowest integer and decimal fractions equal to or greater than 0.5 shall be rounded up to the next highest integer. The number of Missed Trips in excess of the allowable number of Missed Trips shall be multiplied by the performance liquidated damages for Missed Trips to determine the amount of damages due to Owner.

3. LATE TRIPS

A Late Trip shall be deemed to have occurred whenever, due to a Failure, any Trainset arrives later than its allowable lateness at its scheduled arrival at any station or at the interface point between the maintenance facilities and the main line according to the Timetable. If due to a Failure, a Trainset is delayed in its scheduled arrival according to the Timetable and, as a consequence, that Trainset is delayed in its subsequent Timetable scheduled arrivals and/or any Trainset following that Trainset is delayed in its Timetable scheduled arrival, all such delays shall count as a Late Trip if the arrival time of the delayed Trainset is later than the Allowable Lateness. Any early arrival is counted as an on time arrival.



Time shall be as recorded on the ADS, rounded down to the previous 15 seconds increment. In the first 120 days of revenue service the allowable lateness shall be 300 seconds. For the subsequent 180 days of revenue service the allowable lateness shall be 150 seconds. For all subsequent days of revenue service the allowable lateness shall be 120 seconds.

3.1. Allowable Percentage of Late Trips

The percentage of Late Trips shall be calculated for each measurement period as the total number of Late Trips divided by the total number of arrivals according to the Timetable (but irrespective of the scheduled time for arrival specified by the Timetable) in such measurement period, expressed as a percentage. In the first 300 days of revenue service, the Allowable Percentage of Late Trips in each ten day measurement period, thirty day measurement period and ninety day measurement period shall be 10%, except in the case of the ninety day measurement period which straddles the period from the 271st day to the 300th day where the allowable percentage of Late Trips shall be as specified below. In the subsequent 180 days of revenue service, from the 301st day to the 480th day, the allowable percentage of Late Trips in each ten day measurement period, thirty day measurement period and ninety day measurement period shall be 5%, except in the case of the ninety day measurement period which straddles the period from the 301st day to the 360th day and the ninety day measurement period which straddles the period from the 451st day to the 480th day where the allowable percentage of Late Trips shall be as specified below.

In the periods after the first 480 days of revenue service, the allowable percentage of Late Trips in each ten day measurement period, thirty day measurement period and ninety day measurement period shall be 3%, except in the case of the ninety day measurement period which straddles the period from the 481st day to the 540th day where the allowable percentage of Late Trips shall be as specified below.

For the ninety day measurement period from the 271st day to the 360th day of revenue service, the allowable percentage of Late Trips shall be 6.67%. For the ninety day measurement period from the 451st day to the 540th day of revenue service, the Allowable Percentage of Late Trips shall be 3.67%.

For each measurement period, the allowable number of Late Trips is the product of the total number of arrivals according to the Timetable (but irrespective of the scheduled time for arrival specified by the Timetable) in the measurement period multiplied by the Allowable Percentage of Late Trips for that measurement period. For the avoidance of doubt, where the product of the total number of arrivals multiplied by the Allowable Percentage of Late Trips is not an integer, the allowable number of Late Trips shall be the product rounded to the nearest integer, that is decimal fractions less than 0.5 shall be rounded down to the next lowest integer and decimal fractions equal to or greater than 0.5 shall be rounded up to the next highest integer. The number of Late Trips in excess of the allowable number of Late Trips shall be multiplied by the performance liquidated damages for Late Trips to determine the amount of damages due to Owner.

4. MISSION QUALITY

Mission Quality measures the proper operation of those systems that are essential for the comfort and convenience of passengers. Failure of the systems or components shall be recorded on the MMIS.



Failures applicable to the measurement of Mission Quality are:

- (a) Failure of the HVAC system in any car to control the ambient temperature;
- (b) Failure of a lighting circuit within a car;
- (c) Failure of a toilet resulting in its being locked out of service; and
- (d) Failure of the pressure sealing in any car.

A Mission Quality Failure is a Failure described in (a), (b), (c) or (d) above where the Failure so described cannot be rectified successfully by the Train Master re-setting the equipment or system as a simple operation.

4.1. Allowable Number of Mission Quality Failures

The number of Mission Quality Failures shall be assessed over a ninety day measurement period. The allowable number of Mission Quality Failures is the number of Mission Quality Failures allowed over actual distance travelled. In each of the first four ninety day measurement periods, the allowable number of Mission Quality Failures shall be one Mission Quality Failure per 100,000 miles. In subsequent ninety day measurement periods, the allowable number of Mission Quality Failures shall be one Mission Quality Failure per 200,000 miles.

For each ninety day measurement period, the number of Mission Quality Failures in excess of the allowable number of Mission Quality Failures shall be calculated and multiplied by the performance liquidated damages for Mission Quality Failures to determine the damages due to Owner.



APPENDIX 1 TO SCHEDULE 6

Allowable Percentages of Missed Trips for first 360 days of Revenue Service

(See Following Page)



Allowable Percentage of Missed Trips for Ten Day Measurement Periods from the start of revenue service to the end of the Trainset Service Period

| Ten Day Measurement Period | Allowable Percentage of Missed Trips |
|---|--|
| 1st | 2.41 |
| 2nd | 2.35 |
| 3rd | 2.28 |
| 4th | 2.21 |
| 5th | 2.15 |
| 6th | 2.08 |
| 7th | 2.01 |
| 8th | 1.95 |
| 9th | 1.88 |
| 10th | 1.81 |
| 11th | 1.75 |
| 12th | 1.68 |
| 13th | 1.61 |
| 14th | 1.55 |
| 15th | 1.48 |
| 16th | 1.41 |
| 17th | 1.35 |
| 18th | 1.28 |
| 19th | 1.21 |
| 20th | 1.15 |
| 21st | 1.08 |
| 22nd | 1.01 |
| 23rd | 0.95 |
| 24th | 0.88 |
| 25th | 0.81 |
| 26th | 0.75 |
| 27th | 0.68 |
| 28th | 0.61 |
| 29th | 0.55 |
| 30th | 0.48 |
| 31st | 0.41 |
| 32nd | 0.35 |
| 33rd | 0.28 |
| 34th | 0.21 |
| 35th | 0.15 |
| 36th | 0.08 |
| 37th to end of Trainset Service Period | 0.08 |



Allowable Percentage of Missed Trips for Thirty Day Measurement Periods from the start of revenue service to the end of the Trainset Service Period

| Thirty day measurement period | Allowable percentage of Missed Trips |
|--|--|
| 1st | 2.40 |
| 2nd | 2.20 |
| 3rd | 2.00 |
| 4th | 1.80 |
| 5th | 1.60 |
| 6th | 1.40 |
| 7th | 1.20 |
| 8th | 1.00 |
| 9th | 0.80 |
| 10th | 0.60 |
| 11th | 0.40 |
| 12th | 0.20 |
| 13th to end of Trainset Service Period | 0.20 |

Allowable Percentage of Missed Trips for Ninety Day Measurement Periods during the start of revenue service to the end of the Trainset Service Period

| Ninety day measurement period | Allowable percentage of Missed Trips |
|---|--|
| 1st | 2.25 |
| 2nd | 1.65 |
| 3rd | 1.05 |
| 4th | 0.45 |
| 5th to end of Trainset Service Period | 0.45 |



SCHEDULE 7**LETTER OF CREDIT (PERFORMANCE)****IRREVOCABLE STANDBY LETTER OF CREDIT****ISSUER:** _____**PLACE FOR PRESENTATION OF DRAFT:** _____

(Name and Address of Bank/Branch – Must be an office in the United States at which the letter of credit can be presented for payment by facsimile or by electronic means)

APPLICANT: [Name of Contractor]**BENEFICIARY:** CALIFORNIA HIGH-SPEED RAIL AUTHORITY

(Name and title of addressee)

(Street number)

(City, state, zip code)

LETTER OF CREDIT NUMBER: _____**PLACE AND DATE OF ISSUE:** _____**AMOUNT:** _____ **United States Dollars (US\$** _____ **)****EXPIRATION DATE:** _____

The Issuer hereby issues this Irrevocable Standby Letter of Credit in favor of the California High-Speed Rail Authority (the "Authority"), for any sum or sums up to the aggregate amount of _____ **United States Dollars (US\$** _____ **),** available by draft(s) at sight drawn on the Issuer and payable immediately.

Any draft(s) under this Letter of Credit shall:

1. Identify this Irrevocable Standby Letter of Credit by the name of the Issuer, and the Letter of Credit number, amount, and place and date of issue; and
2. State one of the following:

"This drawing is due to the failure of _____ (Contractor's name) (the "Contractor") to pay or perform when due certain obligations under the



agreement _____ (include Contract #) _____ between Contractor and Authority (the "Agreement")."

or

"This drawing is due to the failure of Contractor, as required under the Agreement, to deliver to the Authority a new or replacement letter of credit, on the same terms, by not later than 30 days before the expiration date of the letter of credit."

or

"This drawing is due to the fact that within 30 days of the Issuer failing to maintain the minimum requirements for the Issuer set forth in the Agreement, Contractor has failed to provide a substitute letter of credit issued by a financial institution meeting these minimum requirements."

All drafts will be honored if presented to _____ (Bank/Branch - Name & Address) on or before _____ (Expiration Date) or any extended expiration date.

Drawings by facsimile to facsimile number () _____ are acceptable (each such drawing, a "Fax Drawing") provided, however, that a Fax Drawing will not be effectively presented until Beneficiary confirms, by telephone, Issuer's receipt of such Fax Drawing by calling Issuer at telephone number () _____. Issuer will acknowledge Beneficiary's presentment by e-mail to the e-mail address provided to Issuer in the Fax Drawing.

This Letter of Credit shall allow for multiple draws.

This Letter of Credit shall be automatically extended for successive periods of one year, without amendment, from the stated expiration date and each extended expiration date unless we send the Authority written notice of our intent not to extend the credit; which notice must be sent at least 30 days prior to the expiration date of the original term hereof or any extended one year term, by registered or certified mail or overnight courier, to the Beneficiary at the address for Beneficiary stated above or any other address specified in writing from an executive officer of Beneficiary to the Issuer at the Issuer's address stated above.

This Letter of Credit is subject to the rules of the "International Standby Practices" ISP98. For matters not addressed by ISP98, this Letter of Credit shall be governed by California law.

Issuer:

By: _____ (Authorized signature of Issuer) _____



SCHEDULE 8**LETTER OF CREDIT (MAINTENANCE)****IRREVOCABLE STANDBY LETTER OF CREDIT****ISSUER:** _____**PLACE FOR PRESENTATION OF DRAFT:** _____

(Name and Address of Bank/Branch – Must be an office in the United States at which the letter of credit can be presented for payment by facsimile or by electronic means)

APPLICANT: [Name of Contractor]**BENEFICIARY:** CALIFORNIA HIGH-SPEED RAIL AUTHORITY

(Name and title of addressee)

(Street number)

(City, state, zip code)

LETTER OF CREDIT NUMBER: _____**PLACE AND DATE OF ISSUE:** _____**AMOUNT:** _____ **United States Dollars (US\$** _____ **)****EXPIRATION DATE:** _____

The Issuer hereby issues this Irrevocable Standby Letter of Credit in favor of the California High-Speed Rail Authority (the "Authority"), for any sum or sums up to the aggregate amount of _____ **United States Dollars (US\$** _____ **),** available by draft(s) at sight drawn on the Issuer and payable immediately.

Any draft(s) under this Letter of Credit shall:

1. Identify this Irrevocable Standby Letter of Credit by the name of the Issuer, and the Letter of Credit number, amount, and place and date of issue; and
2. State one of the following:

"This drawing is due to the failure of _____ (Contractor's name) (the "Contractor") to pay or perform when due certain obligations under the



agreement _____ (include Contract #) _____ between Contractor and Authority (the "Agreement")."

or

"This drawing is due to the failure of Contractor, as required under the Agreement, to deliver to the Authority a new or replacement letter of credit, on the same terms, by not later than 30 days before the expiration date of the letter of credit."

or

"This drawing is due to the fact that within 30 days of the Issuer failing to maintain the minimum requirements for the Issuer set forth in the Agreement, Contractor has failed to provide a substitute letter of credit issued by a financial institution meeting these minimum requirements."

or

[Include another withdrawal condition if established under agreement or applicable law]."

All drafts will be honored if presented to _____ (Bank/Branch - Name & Address) on or before _____ (Expiration Date) or any extended expiration date.

Drawings by facsimile to facsimile number () _____ are acceptable (each such drawing, a "Fax Drawing") provided, however, that a Fax Drawing will not be effectively presented until Beneficiary confirms, by telephone, Issuer's receipt of such Fax Drawing by calling Issuer at telephone number () _____. Issuer will acknowledge Beneficiary's presentment by e-mail to the e-mail address provided to Issuer in the Fax Drawing.

This Letter of Credit shall allow for multiple draws.

This Letter of Credit shall be automatically extended for successive periods of one year, without amendment, from the stated expiration date and each extended expiration date unless we send the Authority written notice of our intent not to extend the credit; which notice must be sent at least 30 days prior to the expiration date of the original term hereof or any extended one year term, by registered or certified mail or overnight courier, to the Beneficiary at the address for Beneficiary stated above or any other address specified in writing from an executive officer of Beneficiary to the Issuer at the Issuer's address stated above.

This Letter of Credit is subject to the rules of the "International Standby Practices" ISP98. For matters not addressed by ISP98, this Letter of Credit shall be governed by California law.

Issuer:

By: _____ (Authorized signature of Issuer) _____



SCHEDULE 9

AUTHORITY'S SMALL AND DISADVANTAGED BUSINESS ENTERPRISE PROGRAM

[PROVIDED SEPARATELY]



SCHEDULE 10
TIER III REGULATIONS
[PROVIDED SEPARATELY]

